

# EXHIBIT G

Table of Contents

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2007**

**Commission File Number 0-22999**

**Tarragon Corporation**

*(Exact name of registrant as specified in its charter)*

**Nevada**

*(State or other jurisdiction of  
incorporation or organization)*

**94-2432628**

*(I.R.S. Employer  
Identification No.)*

**423 West 55th Street, 12th Floor, New York, NY**

*(Address of principal executive offices)*

**10019**

*(Zip Code)*

**(212) 949-5000**

*(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12 (b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12 (g) of the Act:

10% Cumulative Preferred Stock, \$.01 par value

*(Title of class)*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes

## Table of Contents

**William S. Friedman** has served as our chief executive officer and director since April 1997 and has served as chairman of our board of directors since December 2000. He previously served as Tarragon's president from April 1997 through June 2004 and served as a trustee (from March 1988), chief executive officer (from December 1993), president (from December 1988), acting chief financial officer (from May 1990 to February 1991), treasurer (from August to September 1989) and acting principal financial and accounting officer (from December 1988 to August 1989) of Tarragon's predecessors, Vinland Property Trust (until July 1997) and National Income Realty Trust (until November 1998). Mr. Friedman currently serves on the board of trustees of Brandeis University.

**Robert P. Rothenberg** has served as our chief operating officer and director since September 2000 and as our president since June 2004. Mr. Rothenberg has been the managing member of APA Management L.L.C., a real estate investment and management company, since 1994. He has also been a managing member of Ansonia L.L.C., which is our limited partner in Ansonia Apartments, L.P., since 1997. Mr. Rothenberg graduated from the Harvard Business School with a Masters of Business Administration in June 1984.

**Kathryn Mansfield** has served as our executive vice president since December 1998, secretary since May 1998 and general counsel since June 2004. She previously served as our vice president and our predecessor, National Income Realty Trust (from May 1998 to December 1998). Ms. Mansfield has been an attorney at law since 1984.

**Todd C. Minor** has served as our executive vice president since November 2001 and as our treasurer and our predecessors, Vinland Property Trust and National Income Realty Trust, since December 1996. He also served as our senior vice president (from March 1994 to December 1998) and vice president (from April 1991 to July 1993) of our predecessors. Mr. Minor has a Masters of Business Administration in Real Estate Analysis and is a Certified Treasury Professional.

**Erin D. Pickens** has served as our executive vice president and chief financial officer since December 1998. She previously served as our vice president and chief accounting officer (from September 1996 to November 1998) and accounting manager (from June 1995 to August 1996) of our predecessors, Vinland Property Trust and National Income Realty Trust. Ms. Pickens has been a certified public accountant since 1990.

**Charles D. Rubenstein** has served as our executive vice president and chief real estate counsel since December 1998. He served as our senior vice president of our predecessor, National Income Realty Trust, from September 1998 to December 1998. Mr. Rubenstein has been an attorney at law since 1984.

**William M. Thompson**, has served as our executive vice president of operations since March 2003. He previously served as our chief information officer (from September 2000 to March 2003). Mr. Thompson has been a certified public accountant since 1981.

**Eileen A. Swenson** has served as president of Tarragon Management, Inc., one of our wholly owned subsidiaries since September 2000. Ms. Swenson is a Certified Property Manager (CPM) and a member of the Institute of Real Estate Management.

**William J. Rosato** was named president of Tarragon Development Corporation in September 2007. He previously served as senior vice president (from February 2005 to September 2007) and director of construction (from October 2003 to February 2005) of Tarragon Development Corporation. Mr. Rosato received his BA and Master of Architecture degrees from the University of Pennsylvania. He is a member of the American Institute of Architects and a licensed architect in the state of New York.

**Table of Contents****ITEM 9A. CONTROLS AND PROCEDURES****Evaluation of Disclosure Controls and Procedures**

Our management, under the supervision of and with the participation of our principal executive officer and principal financial officer, has carried out an evaluation of the design and effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934 as of December 31, 2007. Based upon that evaluation, the principal executive officer and principal financial officer have concluded that, as of December 31, 2007, due to the material weakness in our internal control over financial reporting described below, our disclosure controls and procedures were not effective to ensure that all material information required to be disclosed in reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

**Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed under the supervision of our principal executive officer and principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and preparation of our financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2007, our management conducted an assessment of the effectiveness of our internal control over financial reporting based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control-Integrated Framework".

Based on the assessment, management has concluded that our internal control over financial reporting was not effective as of December 31, 2007. Management has identified the following material weakness of internal control over financial reporting as of December 31, 2007:

**Accounting Resources** — In our 2006 Report, we identified as a material weakness at December 31, 2006 insufficient accounting resources to support our financial reporting requirements. We have taken steps to address this material weakness, which included expanding our financial reporting staff by adding two new positions, including one responsible for complex accounting and financial reporting requirements. However, the integration and effective deployment of these resources was not fully achieved as of December 31, 2007. This integration and our evaluation of the need for additional resources is ongoing. As a result, we could not conclude that this material weakness had been remediated as of December 31, 2007.

The effectiveness of our internal control over financial reporting has been audited by our independent registered public accounting firm, Grant Thornton LLP, as stated in their report included herein.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.